

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

MINUTES OF MEETING OF BOARD OF DIRECTORS

APRIL 17, 2019

The Board of Directors (the "Board" or the "Directors") of Fort Bend County Municipal Utility District No. 37 (the "District") met in regular session at 7:00 p.m., at 1301 Misty Bend, Katy, Texas 77494, on Wednesday, April 17, 2019, pursuant to notice of said meeting posted in accordance with Chapter 551 of the Texas Government Code. The roll was called of the members of the Board, to-wit:

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|---------------------|-----------------------------------------|
| Kenneth L. Comeaux | President/Co-Tax Compliance Officer |
| Stephen Berckenhoff | Vice President |
| David A. Carp | Secretary |
| Rudy Ammer | Treasurer /Co-Tax Compliance Officer |
| Larry W. Davis | Assistant Secretary /Investment Officer |

All members of the Board, with the exception of Director Carp, who arrived later in the meeting, were present, thus constituting a quorum. Also attending all or portions of the meeting were: Kim Shelnett of Myrtle Cruz, Inc. (the "Bookkeeper" or "MCI"), bookkeeper for the District; David Ferrier of Equi-Tax, Inc. (the "Tax Assessor/Collector" or "Equi-Tax"), tax assessor/collector for the District; Bob Ring of Inframark (the "Operator" or "Inframark"), operator for the District; Chris Thornhill of The Thornhill Law Firm (the "DTA" or "Thornhill") delinquent tax attorney for the District; David Leyendecker, of Clay & Leyendecker, Inc., engineer for the District; Zachary A. Petrov of Johnson Petrov LLP (the "Attorney" or "JP"), attorneys for the District; and Mr. & Mrs. Carrico and Freddy Kelly, residents of the District; and Patrick Mahoney, James Ross and Allen Perez.

The President, after finding that the notice of the meeting was posted as required by law and determining that a quorum of the Board was present, called the meeting to order and declared it open for such business as may regularly come before it.

1. Public Comment.

Mr. Kelly requested the bushes against their yard be trimmed (1900 block of Cloverfield) and also the trees and bushes at the berm. Next, Mr. Ross updated the Board on the Katy Mills exterior upgrades. Mr. Carrico requested an update on the status of the survey of the drainage ditch.

2. Approval of Minutes. Next, the Board considered approval of the March 20, 2019 regular meeting minutes. Director Berckenhoff recommended amendments to said minutes. Upon motion by Director Ammer, seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board approved the minutes subject to certain amendments.

3. Bookkeeper's Report and Investment Report. Ms. Shelnutt reviewed with the Board the Bookkeeper's Report and Investment Report, copies of which are attached hereto as Exhibit "A".

a. Ms. Shelnutt first reviewed the written reports and responded to questions. Director Berckenhoff requested Ms. Shelnutt contact the Mr. Leyendecker's firm regarding an invoice for the wastewater treatment plant and annexations, to keep current on these items.

b. Ms. Shelnutt then reviewed the current and year-to-date revenue and expenditures against the District's budget for the fiscal year ending August 31, 2019.

Upon motion by Director Berckenhoff, seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board approved the Bookkeeper's Report and Investment Report, as presented, authorized payment of checks numbered 1463 through 1484 from the Operating Account.

Director Carp entered the meeting at this time.

4. Tax Assessor/Collector Report. The Tax Assessor/Collector's Report was presented by Mr. Ferrier, a copy of which is attached hereto as Exhibit "B".

a. Mr. Ferrier reviewed with the Board the Tax Assessor/Collector's Report and responded to questions from the Board. He also reviewed with the Board a Land Value Study regarding an 84.6 acre tract under the Enstor name, which was provided by Ben Kruse, Land Appraisal Supervisor and Glen Whitehead, Chief Appraiser of the Fort Bend County Appraisal District. A copy of which is attached to the Tax Assessor/Collector Report.

b. He also reported that 97.3% of the 2018 taxes had been collected as of March 31, 2019.

c. Mr. Thornhill then updated the Board on Castleton Commodities delinquent account and requested authorization to file a tax warrant concerning same. Mr. Thornhill introduced Patrick Mahoney, who has extensive experience filing tax warrants and would assist Mr. Thornhill.

Upon motion by Director Berckenhoff, seconded by Director Ammer, after full discussion and with all Directors present voting aye, the Board approved the Tax Assessor/Collector's Report, as presented; authorized payment of check numbers 2220 thru 2225 from the Tax Account; and authorized the DTA to file a tax warrant concerning the Castleton Commodities delinquent account.

5. Operations Report. Next, Mr. Ring presented the Operations Report, a copy of which is attached hereto as Exhibit "C".

a. Mr. Ring reviewed the current operations in the District and responded to questions from the Board.

b. He also reported there were two (2) delinquent accounts scheduled for termination due to non-payment of water and sewer bills and one (1) collection account.

Upon motion by Director Berckenhoff, seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board approved the approved the Operations Report and authorized termination of service to two (2) delinquent accounts pursuant to the District's Rate Order.

6. Engineering Report. Mr. Leyendecker was not present at tonight's meeting, but he sent a written report updating the Board on the current activities in the District. A copy of the report attached hereto as Exhibit "D".

Mr. Petrov presented and reviewed the Annexation Agreement, Reimbursement Agreement, Letter of Intent and Petitions pertaining to the KMK Development for the Board's consideration and approval.

Upon motion by Director Berckenhoff, seconded by Director Ammer, after full discussion and with all Directors present voting aye, the Board approved the Engineer's written report and the Annexation Agreement, Reimbursement Agreement, Letter of Intent and Petitions pertaining to the KMK Development.

7. New Business.

a. Next, the Board discussed and reviewed the current emergency response procedures. It was noted that the District's Operator had procedures in place and no action was taken at this time.

b. The Board next discussed the maintenance of the trees located in the berm including, who's responsible for the costs of such maintenance. Director Ammer stated he will speak with Katy Mills Mall and the City regarding the trees along the residents' fences.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

SIGNED, PASSED and APPROVED this 15th day of May, 2019.




Secretary, Board of Directors

EXHIBITS:

- A - Bookkeeper's Report
- B - Tax Assessor/Collector's Report
- B-1 - Delinquent Tax Collection
- C - Operations Report
- D - Engineer's Report